

FINAL DRAFT EFFECTIVE 01/01/06-12/31/07

ADOPTED 09/20/05

Current Issues in Washington Residential Real Estate **A 3-Hour Mandated Curriculum & Learning Objectives**

Upon completion of this course the student will be able to:

MODULE 1 – SPECIFIC AGENCY ISSUES AS THEY APPLY TO:

1. Describe the agency obligations regarding **Environmental Issues of Lead-Based Paint & Mold**.
 - Provide or illustrate the resources or documents available to make the required disclosures.
 - This was covered in the last core, so instruction is minimal and just a reminder.
2. Explain the legal **Differences in Purchase and Sale Agreements**.
 - Identify at least 3 different forms (NWMLS, Washington Association of Realtors, Other).
 - Explain the differences in format, legal aspects and responsibilities.
 - Instruct on proper methods or forms to counter.
 - List available resources for licensees to utilize when they are unfamiliar with the forms.
3. Explain and discuss the agency issues from the perspective of a selling and listing agent in regards to **Handling of Earnest Money**.
 - Include a description of actions that may be adverse or detrimental to the purchaser and seller.
 - Review the contractual elements necessary to make the contract valid.
 - Analyze 3 case studies provided by the department regarding the handling of earnest money. (see **Attachment A**)
4. Describe the agency complications of handling **Multiple Offers**.
 - Describe the similarities and differences in conjunction with auctions of real property.
 - Discuss proper methods and legal ramifications with escalation clauses.
 - Review contractual elements and describe licensee actions that may lead to conflict of interest or action that are or may become detrimental to the consumer or client.
5. Explain the **Legal Aspects of Drafting** of agreements in relation to agency.
 - Review the Cullum vs. Heritage House and other relevant legal cases regarding the drafting of real estate documents.

MODULE 2 – RESPA

1. Explain RESPA requirements regarding **Interrelated Companies**.
 - Describe the effects on consumers and licensee when the RESPA rules are not followed.
2. Describe RESPA **Compensation & Disclosure** issues.
 - List possible scenarios that could lead a licensee into non-compliance.
3. Explain and define **Predatory Lending**.
 - Provide a list of the elements and relationships necessary for predatory lending to occur.
 - Describe the long-term affect of predatory lending to the community and to the consumers involved.
4. Review **RESPA Enforcement Actions (Case Studies)**

MODULE 3 – BUSINESS ETHICS

1. Explain the application of **Fair Housing** laws in relation to business ethics.
2. Explain the difference/requirements between agency law and business ethics in regard to **Sex Offenders/Drug Houses**.
 - Explain how to find resources to help educate consumers.
3. Explain the business ethics of **Offering other services** in:
 - **Escrow**
 - **Lending**
 - **Home Inspections**
 - **CLUE**
 - **Credit Reports**
 - **Other**
4. Explain the business ethics of **“Knowing your territory”**.
 - Explain the requirements and ramifications of working outside your physical area and knowledge area.

ATTACHMENT A

Case Studies on Handling of Earnest Money

1. The selling licensee writes an offer that calls for a \$5,000 earnest money due upon acceptance of the offer. The selling agent never asks for or collects the earnest money.
2. The selling licensee writes an offer that calls for a \$20,000 earnest money. The earnest money check is given to the licensee made payable to the broker as licensed. The licensee loses the earnest money check.
3. The selling licensee writes an offer that call for a \$10,000 earnest money due upon acceptance. Five (5) business days after acceptance, the purchaser delivers the earnest money to the agent.